

INTERNAL AUDIT REPORT
Partners' Engagement Framework
April 2020



Conclusion

Our audit procedures were designed to provide assurance to management and the Gavi Board on the adequacy and effectiveness of the key controls in the Partners' Engagement Framework process.

The Partners' Engagement Framework (PEF) is one of the pillars of the Alliance Accountability Framework which was approved by the Gavi Board in June 2015. The main objective of PEF is to 'leverage the comparative strengths of the Alliance partners to accelerate sustainable and equitable coverage of vaccines. Support under PEF is provided under three broad funding envelopes including: Foundational Support; Targeted Country Assistance (TCA) and Special investments in Strategic Focus areas (SFAs), with TCA taking the largest share of the envelope. The PEF TCA process starts off with identification and prioritisation of country needs. This is mainly done during the annual Joint Appraisal (JA), which is a major platform for reviewing performance of the Gavi-supported programmes.

Through our audit procedures, we have identified one high risk issue related to the process of identification and prioritisation of needs and other medium risk issues relating to the PEF process, of which the key ones are summarised below.

Internal Audit Key Issues Summary

Issue Description	Rating
Planning	
There is need to review and align the PEF grant cycle to the HSIS cycle to facilitate effective delivery	M
Identification and prioritisation of needs	
There is need to strengthen the link between TCA activities and other programmatic objectives under Gavi support	M
There is need to strengthen the needs identification process to have an integrated focus on programmatic and financial management capacity needs	H
PEF management team	
There is need to review the governance arrangements overseeing support to core partners under PEF	M
Results measurement	
There is need to develop a comprehensive and integrated framework for measuring results from the different PEF components	M

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Summary of Findings

Summary of Key Issues Arising

Through our audit procedures, we have identified one high risk issue and other medium risk issues relating to the PEF process, of which the key ones are summarised below.

Identification and prioritisation of needs

There is need to strengthen the link between TCA activities and other programmatic objectives under Gavi support

We noted that activities in the one TA plan were not consistently linked to the Grant Performance Framework (GPF) indicator that the activity contributed to. Further, there was no consolidated view indicating how the different areas under PEF, especially TCA and SFA, link or complement each other towards achievement of PEF objectives.

Management should therefore continue to reinforce the linkage of activities in the one TA plans to the wider programmatic areas in-country to ensure alignment of objectives and also enhance the linkage between the one TA plans and the other PEF investments.

There is need to strengthen the needs identification process to have an integrated focus on programmatic and financial management capacity needs

We noted that financial management capacity needs are not adequately prioritised to ensure that sufficient funding is allocated to address the weaknesses. Financial management capacity has been identified as one of the drivers of country management capacity - one of the Gavi Alliance's top risks. However, our analysis indicated that less than 5% of the total PEF TCA funding was allocated to this area in the period between 2016-2019. Additionally, financial management needs were not discussed during the annual joint appraisal, which is one of the main platforms for identification and prioritisation of TA needs that are presented in the one TA plan. This poses the risk that PEF TCA investments may not be fully aligned to all the areas that are essential in supporting achievement of programme objectives.

There is therefore need to have a more comprehensive and integrated focus on both programmatic and financial management capacity needs during the needs identification process and ensure that sufficient funding is allocated to address financial management weaknesses.

Planning

There is need to review and align the PEF grant cycle to the HSIS cycle to facilitate effective delivery

Funding to core partners under PEF is done based on an annual planning and renewal cycle. Based on the review, approval and disbursement timelines, one-year implementation plan might not be practical for delivery. The TCA grant cycle is not always aligned with the Health Systems and Immunisation Strengthening (HSIS) programme cycle for which the TA support is meant. In addition, most of the activities under SFA were medium to long term in nature. Given the effort spent on the annual renewal process, it would be worth considering the possibility of longer-term funding agreements with annual reviews. Management should also enhance the coordination and alignment of the grant cycles across the various Gavi programmes to ensure they complement each other and there is synergy.

PEF Management team

There is need to review the governance arrangements overseeing support to core partners under PEF

The PEF Management Team (PEF MT) is one of the key governance functions in the PEF structure and has played a key role in monitoring Alliance Partners' performance under PEF. However, we noted that the ToRs as currently documented are not clear on the authority of the PEF MT in the execution of their oversight role. Additionally, even though the PEF MT is expected to review partner deliverables, in practice it only reviews performance at a consolidated level. There is need to review the ToRs to ensure that they reflect the strategic role played by the PEF MT.

The PEF MT's role only relates to oversight of Alliance partners. There is no function that has been tasked with a holistic oversight role of PEF, taking into consideration the contribution of expanded partners. We are aware of the conflict that might

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exist in allocating such a role to PEF MT given the Alliance partners' role in the programme. However, there is need to consider how oversight can be enhanced to facilitate a more integrated and holistic view of PEF.

Results measurement

There is need to develop a comprehensive and integrated framework for measuring results from the different PEF components

We noted that the different PEF components had different approaches to measuring the results expected from the investments and there was no consolidated view of how the results from the different areas fit together. One of the key recommendations from the two evaluations that have been carried out on PEF TCA was the need to adopt a holistic view of PEF as opposed to viewing each of the areas i.e. TCA, SFA and Foundation Support in isolation. One of the recommended approaches is to adopt a programmatic theory of change and develop a corresponding results framework. We however noted that this has not been actioned. We noted that a theory of change had recently been developed for the sustainability SFA while the data SFA had a results framework in place. It is however not clear how the different PEF areas fit and feed into each other. There is need to develop an integrated results framework for PEF that will facilitate a holistic view and approach in delivery of the programme interventions under Gavi 5.0. The design of such a framework should consider utilising data obtained in the last few years of PEF implementation to define baselines to further enhance measurement of results.

Background

The Partners' Engagement Framework is one of the pillars of the Alliance Accountability Framework which was approved by the Gavi Board in June 2015. The main objective of PEF is to 'leverage the comparative strengths of the Alliance partners to accelerate sustainable and equitable coverage of vaccines. Additionally, it was perceived as the key

mechanism to fund and coordinate partners' activities and engagement relating to immunisation¹.

PEF consists of five components, i.e. Targeted Country Assistance (TCA); Special investments in Strategic Focus areas (SFAs); Special studies and evaluations; and procurement. The main funding support envelopes are the three below:

- **Foundational support** is long-term funding provided to core partners at the global level to support their role in coordinating immunisation programmes.
- **TCA funding** is provided through core and expanded partners to support countries in implementation of Gavi grants and to overcome barriers to achieving coverage and equity of immunisation.
- **Special investments in SFAs** is funding provided to partners at the regional and global levels to address issues in key programmatic areas at the global level. The main areas under SFA funding include data, supply chain and sustainability.

The annual PEF budget has increased from USD 134m in 2016 to USD 160.4m in 2019, with TCA taking the largest share of the envelope (i.e. increased from USD 65m in 2016 to USD 95m in 2019).

The PEF delivery structure involves various stakeholders including core Alliance partners; expanded partners; Expanded Programme on Immunisation (EPI) and Ministry of Health; Regional Working Groups (RWGs) and Gavi Secretariat. A PEF Management Team (PEF MT) consisting of key donor representatives and Gavi Secretariat staff was established in 2015 to oversee allocation of resources and performance of Alliance partners involved in PEF.

TCA is based on four overarching principles: differentiation; country ownership; accountability; and transparency. As part of differentiation, the Gavi-supported countries have been categorised into three tiers (tier 1, tier 2 and tier 3) based on scale and severity of immunisation-related challenges. The level of support and effort is differentiated and

¹ Extracted from the report to the Board in December 2015 on 'Engagement framework and budget for Partners and Secretariat for 2016 – 2017.

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tailored to each tier, with a significant focus on tier 1 countries, comprising of top 20 countries.

Country ownership is facilitated through consistent involvement and engagement of the EPI and MoH stakeholders throughout the TCA process, including planning and monitoring performance. Accountability is embedded in the PEF model through established programmatic and financial reporting requirements for the partners as well as regular in-country reviews of the progress and performance of TA jointly by partners and country stakeholders.

The PEF TCA process starts off with identification and prioritisation of country needs. This is mainly done during the annual Joint Appraisal (JA), which is the main platform for reviewing performance of the Gavi-supported programmes. Following the JA, partners work jointly with the countries to develop proposals which are consolidated in the One TA Plan. It indicates, among other details, the TCA programmatic funding area, proposed activity, milestones for measuring progress, expected outcome, budget and budget assumptions. The activities and milestones are transferred to an online portal (PEF portal) which is accessible to all stakeholders. The one TA plan and PEF portal have contributed to increased transparency and accountability amongst the TCA stakeholders. Following review of the one TA plans by the Gavi Secretariat, they are submitted to the PEF MT for endorsement and for allocation of funding. Partners report twice a year through the PEF portal, indicating the status of achievement of milestones based on the five available statuses: on track; completed; minor delay; major delay; or reprogrammed.

As part of monitoring delivery, partners and countries are supposed to engage in regular monitoring sessions (quarterly). Additionally, the RWGs are supposed to monitor performance of TCA through their regular meetings. Progress reports are also presented to the PEF MT during their meetings. Independent evaluations were initially proposed to be conducted every two years. An independent baseline evaluation was conducted in 2016, followed by an evaluability assessment in 2018. Country assessments have also been introduced with six countries having been assessed.

The SFAs broadly follow the same processes as PEF TCA, with an exception in the needs' identification process. Needs are identified jointly by partners and Gavi Secretariat based on issues identified from the

country offices and other engagements with countries.

Delivery under PEF is mainly done through the core partners (WHO, UNICEF, CD and World Bank) who sign contribution grant agreements/Memorandums of Understanding (MoUs) with the Gavi Secretariat. Expanded partners are contracted for areas where partners do not have comparative advantage. Contracting for expanded partners is done under a service agreement with payments being linked either to milestone deliverables or time spent.

Audit Objective

Our audit assessed the adequacy of the design and operating effectiveness of the governance, risk management and key internal controls in the processes related to the Partners' Engagement Framework.

Audit Scope and Approach

We adopted a risk-based audit approach informed by our assessment of the system of internal controls.

Our audit approach included interviewing relevant Secretariat teams, reviewing Board and committee reports, reviewing operational and country guidelines, and sample testing evidence of PEF processes and activities. During the audit we also considered the IT systems supporting the processes.

The audit is part of the 2019 Annual Internal Audit Plan approved by the Audit and Finance Committee of the Gavi Board.

This audit was designed to assess the:

- Design and operating effectiveness, where possible, of the key controls;
- Economy and efficiency of the utilisation of resources;
- Quality of implemented governance and risk management practices; and
- Compliance with relevant policies, procedures, laws, regulations and where applicable, donor agreements.

This scope of the audit primarily focussed on Targeted Country Assistance (TCA) support with limited review of the Strategic Focus Areas (SFA) support in the period from January 2017 to December 2018. The scope of the audit covered the key controls in the following key activities:

- Identification and prioritisation of needs;

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- Allocation of resources (including the role of the PEF MT);
- Defining, measuring and monitoring results and performance (including outcomes and impact);
- Definition of roles and responsibilities for the various stakeholders involved in PEF processes (including limited work on delivery against what is committed); and
- PEF policies and procedures; tools; and systems.

The following areas were not considered in-scope for this audit:

- Audit of partners' PEF activities vis-à-vis support received;
- Special studies and evaluations;
- Partnerships in innovation; and
- The procurement process relating to PEF.

We will continue to work with management to ensure that these audit issues are adequately addressed and required actions undertaken.

We take this opportunity to thank all the teams involved in this audit for their on-going assistance.

Head, Internal Audit

Appendix 1: Summary of Performance Ratings and Distribution

Summary Performance Ratings on Areas Reviewed

For ease of follow up and to enable management to focus effectively in addressing the issues in our report, we have classified the issues arising from our review in order of significance: High, Medium and Low. In ranking the issues between 'High', 'Medium' and 'Low', we have considered the relative importance of each matter, taken in the context of both quantitative and qualitative factors, such as the relative magnitude and the nature and effect on the subject matter. This is in accordance with the Committee of Sponsoring Organisations of the Treadway Committee (COSO) guidance and the Institute of Internal Auditors standards.

Rating	Implication
High	Address a fundamental control weakness in relation to internal controls, governance and/or risk management that should be resolved as a priority
Medium	Address a control weakness in relation to internal controls, governance and/or risk management that should be resolved within a reasonable period of time
Low	Address a potential improvement opportunity in relation to internal controls, governance and/or risk management

Distribution

Title
Deputy Chief Executive Officer
Managing Director, Country Programmes
Director, Strategy, Funding & Performance
Director, Country Support
Director, Monitoring & Evaluation
Head, Partners' Engagement Framework

For Information

Title
Chief Executive Officer
Managing Director, Audit & Investigations
Executive Team
Director, Health Systems & Immunisation Strengthening
Director of Legal & General Counsel
Director, PCA
Head, Risk